

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION INTO DELAPLAIN	)	CASE NO.
DISPOSAL COMPANY	)	89-218

O R D E R

On August 8, 1989, the Commission issued a Show Cause Order against Delaplain Disposal Company ("Delaplain"). The Order alleges that Delaplain began the construction of facilities without obtaining a Certificate of Public Convenience and Necessity from the Commission pursuant to KRS 278.020. The Order also alleges that Delaplain obtained financing for said construction without the authorization of the Commission in violation of KRS 278.300. Finally, the Order alleges that Delaplain charged tap-on fees of \$2500 to commercial/industrial customers without notification to or approval by the Commission in violation of KRS 278.160.

Commission Staff and Delaplain held an informal conference on August 15, 1989 to discuss settlement of the allegations raised in the Show Cause Order. As a result of that conference, Staff and Delaplain have entered into the Settlement Agreement which is attached hereto as Appendix A. Pursuant to the terms of the Settlement Agreement, Delaplain agrees to refund \$12,000 in unauthorized tap-on fees to commercial/industrial customers and to pay penalties in an amount totaling \$500.

Having reviewed the Settlement Agreement and being otherwise sufficiently advised, the Commission finds that the Settlement Agreement is reasonable and lawful and is supported by substantial evidence of record.

IT IS THEREFORE ORDERED that:

1. The terms and conditions set forth in the Settlement Agreement are hereby approved and adopted.

2. The Settlement Agreement, attached hereto as Appendix A, is incorporated herein by reference as if fully set forth herein.

3. Within one (1) year of date of entry of this Order, Delaplain shall pay each of the following listed commercial-industrial customers the sum of \$2,000. The reimbursement may be accomplished either through crediting the customers' monthly bills or by separate payment:

1. Trinity Manufacturing
2. Comfort Inn
3. Delaplain Center-Hamilton Oil
4. NYK Properties
5. Grandma's Kitchen
6. Georgetown Auto/Truck

4. Proof that all reimbursements have been made shall be forwarded by Delaplain to the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, within one (1) year of date of entry of this Order. Proof of payment may be demonstrated by copies of cancelled checks or by any other means deemed sufficient by the Commission.


5. Within thirty (30) days from date of entry of this Order, Delaplain shall tender to the Commission a certified check in the amount of \$500 in settlement of the Commission's

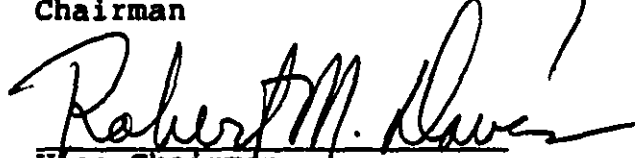
allegations that Delaplain violated KRS 278.020, KRS 278.300, and KRS 278.160. Said check shall be payable to the Kentucky State Treasurer and shall be mailed to the Commission at 730 Schenkel Lane, Frankfort, Kentucky 40601.

6. The Settlement Agreement adopted herein constitutes a final adjudication of the allegations raised in the Commission's Show Cause Order of August 8, 1989.

Done at Frankfort, Kentucky, this 1st day of December, 1989.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

\_\_\_\_\_  
Commissioner

ATTEST:

\_\_\_\_\_  
Executive Director

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION INTO DELAPLAIN  
DISPOSAL COMPANY

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CASE NO. 89-218

SETTLEMENT AGREEMENT

On August 8, 1989, the Commission issued a Show Cause Order against Delaplain Disposal Company ("Delaplain"). The Order alleges that Delaplain began the construction of facilities without obtaining a Certificate of Public Convenience and Necessity from the Commission pursuant to KRS 278.020. The Order also alleges that Delaplain obtained financing for said construction without the authorization of the Commission in violation of KRS 278.300. Finally, the Order alleges that Delaplain charged tap-on fees of \$2,500.00 to commercial/industrial customers without notification to or approval by the Commission in violation of KRS 278.160.

Commission Staff and Delaplain held an informal conference on August 15, 1989 to discuss settlement of the allegations raised in the Show Cause Order. As a result of that conference, Staff and Delaplain have entered into this proposed Settlement Agreement with the understanding that its effectiveness is conditioned upon acceptance by the Commission.

Delaplain stipulates that it began construction of expanded sewage treatment facilities before application was made to the Commission for a Certificate of Public Convenience and Necessity, in violation of KRS 278.020. However, Delaplain submits that

prior to commencing such construction, it had met with representatives of the Commission and discussed the expanded facilities, and its failure to timely apply for said certificate was inadvertent and due to a misunderstanding of the application process.

Delaplain further stipulates that \$2,000.00 of each \$2,500.00 tap-on fee charged to six (6) commercial/industrial customers was not authorized by the Commission, in violation of KRS 278.160. However, Delaplain submits that its current owners did not knowingly violate Commission statutes, but merely continued charging fees which had been charged by prior owners in the past and which they assumed had been approved by the Commission.

In a joint effort to resolve this matter and avoid additional time and expense on the part of both the Commission and Delaplain, the signatories hereto agree to the compromise of the case set out herein.

NOW, THEREFORE, the signatories agree that:

1. Delaplain shall pay each of the following listed commercial/industrial customers the sum of \$2,000.00. Said sum represents reimbursement (without interest) of the amount paid by said customers to Delaplain from 1987 to the present for tap-on fees which were not authorized by the Commission:

1. Trinity Manufacturing
2. Comfort Inn
3. Delaplain Center-Hamilton Oil
4. NYK Properties
5. Grandma's Kitchen
6. Georgetown Auto/Truck

2. The above reimbursement may be accomplished either through crediting the customers' monthly bills or by separate

payment. In any event, each listed customer shall be credited or paid the total amount of \$2,000.00 within one (1) year of entry of an Order of the Commission approving and adopting this Settlement Agreement.

3. Proof that all reimbursements have been made shall be forwarded by Delaplain to the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, within one (1) year of entry of an Order of the Commission approving and adopting this Settlement Agreement. Proof of payment may be demonstrated by copies of cancelled checks or by any other means deemed sufficient by the Commission.

4. Delaplain shall pay unto the Commission a penalty of \$500.00 in settlement of the Commission's allegations that Delaplain violated KRS 278.020, KRS 278.300, and KRS 278.160, within thirty (30) days from the date of entry of an Order of the Commission approving and adopting this Settlement Agreement. Such \$500.00 penalty is allocated among the statutes allegedly violated as follows:

<u>Statutes</u>	<u>Applicable Penalty</u>
KRS 278.020	\$300.00
KRS 278.300	\$100.00
KRS 278.160	\$100.00

5. This Settlement Agreement constitutes a final adjudication of the allegations raised in the Commission's Show Cause Order of August 8, 1989.

AGREED TO:

  
KATHLEEN B. DORMAN  
Counsel for Commission Staff

11/28/89  
(date)

  
JOE C. LEWIS, Agent  
Delaplain Disposal Company

11/10/67  
(date)

  
GLENN A. HOSKINS, Attorney  
Delaplain Disposal Company

Nov 10, 1980  
(date)

GAHBT:124